

PNG Guideline 7
April 2003

Application for Concurrent Production

- 1. A submission under section 17 of *The Oil and Gas Conservation Act* in support of an application for the concurrent production of oil and gas from a reservoir shall contain, where possible:
 - (a) The location of the well(s) proposed for concurrent production from the reservoir.
 - (b) A general discussion of the reservoir geology, including, if possible:
 - (i) a geological cross-section of the pool highlighting the proposed well(s), producing horizon, gas/oil and oil/water contacts, perforations;
 - (ii) a contour map of the top of the producing horizon;
 - (iii) a gas/oil net pay map of the producing horizon, indicating the reservoir boundary and an estimate of reserves-in-place;
 - (iv) any additional geological, geophysical or other data which supports the application (ie. porosity, permeability, oil gravity, seismic mapping, etc.).
 - (c) A production history for the proposed well(s) including present production rates or tests and drill stem tests indicating attempts at oil production. Also, a production history of any offsetting well(s) within the reservoir, production tests, gas deliverability tests, pressure tests that may be pertinent to the application.
 - (d) The proposed method of gas utilization (ie. lease fuel, sales, etc). Note that flaring or venting of gas is not allowed.
 - (e) A map indicating mineral lessors and lessees for both the proposed well(s) and offsetting sections.

Note: Concurrent production approval normally requires that the applicant has ownership of or has pooled the mineral rights to the entire section (gas well drainage unit) in which each well is located. Approval may be granted where the applicant has ownership of less than the entire section, if the producing gas/oil ratio has been consistently less than 3500 and provided that future gas/oil ratios are restricted to less than 3500.

2. The submission shall be in written and illustrated form and signed by an officer of the company making the application.

3. Submit two (2) copies of each application to:

Engineering Services Branch Saskatchewan Industry and Resources 200 - 2101 Scarth Street Regina, Saskatchewan S4P 2H9

4. For further information contact Candy Dominique at (306) 787-2319 or Mike Montenegro at (306) 787-4285.